

**Senate File 164 - Introduced**

SENATE FILE 164

BY KIBBIE and HOUSER

**A BILL FOR**

1 An Act relating to motor fuel by providing for a biodiesel  
2 quality standard and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 214A.2, subsection 4, paragraph b,  
2 subparagraph (2), Code 2011, is amended by striking the  
3 subparagraph.

4 Sec. 2. NEW SECTION. 214A.2C Standard for diesel fuel —  
5 biodiesel required.

6 1. A retail dealer shall not advertise for sale or sell  
7 diesel fuel in this state, unless it is biodiesel fuel  
8 designated as B-5 or higher as specified in section 214A.2.

9 2. Subsection 1 does not apply to diesel fuel used to power  
10 any of the following:

11 a. (1) A motor located at an electric generating plant  
12 regulated by the United States nuclear regulatory commission.

13 (2) This paragraph "a" is repealed thirty days after the  
14 United States nuclear regulatory commission approves the use of  
15 biodiesel fuel designated as B-5 or higher in motors located at  
16 electric generating plants that it regulates.

17 b. A railroad locomotive.

18 c. A vehicle used primarily on the grounds of a public  
19 airport.

20 d. A motor used to temporarily generate power due to  
21 peak demand for electricity or a disruption in the delivery  
22 of electricity or natural gas until the delivery of the  
23 electricity or natural gas may be resumed.

24 3. Subsection 1 does not apply during a period that the  
25 governor issues a biodiesel suspension order.

26 a. The biodiesel suspension order must include a  
27 determination by the governor that any of the following exists:

28 (1) A lack of infrastructure in this state necessary to  
29 support the retail sale of biodiesel fuel designated as B-5.

30 (2) A significant shortage of biodiesel fuel designated as  
31 B-5 in this state available for retail sale in this state.

32 (3) A systemic market change in the supplies or prices of  
33 biodiesel fuel designated B-5 will cause a material economic  
34 hardship to the state.

35 b. The biodiesel suspension order may reduce the biodiesel

1 fuel designation provided in subsection 1 during the period of  
2 the suspension. The biodiesel suspension order may apply to  
3 the entire state or to specific counties named in the biodiesel  
4 suspension order.

5     c. The biodiesel suspension order shall take effect  
6 when published in the Iowa administrative bulletin unless  
7 the biodiesel suspension order specifies a later date. The  
8 biodiesel suspension order shall terminate on a date certain as  
9 specified in the biodiesel suspension order.

10     Sec. 3. EXISTING INVENTORIES OF DIESEL FUEL.

11     1. a. Notwithstanding section 214A.2C, diesel fuel  
12 inventories, stored at a retail motor fuel site as defined in  
13 section 214A.1, existing on the effective date of this Act, may  
14 continue to be sold and dispensed.

15     b. Paragraph "a" shall not apply once all diesel fuel  
16 inventories existing at a retail motor fuel site as defined in  
17 section 214A.1, on the effective date of this Act, have been  
18 sold or dispensed.

19     2. Nothing in this section authorizes a retail dealer to  
20 acquire diesel fuel other than biodiesel fuel designated B-5 or  
21 higher as provided in section 214A.2 on or after the effective  
22 date of this Act.

23     Sec. 4. RULES. The department of agriculture and land  
24 stewardship shall adopt rules, to be effective September 1,  
25 2012, as necessary to implement this Act.

26     Sec. 5. EFFECTIVE DATE. This Act takes effect September  
27 1, 2012, except for the provisions authorizing the department  
28 of agriculture and land stewardship to adopt rules required to  
29 implement the provisions of section 214A.2C, as enacted in this  
30 Act.

31                     EXPLANATION

32     This bill applies to the retail sale of biodiesel blended  
33 fuel as regulated by the department of agriculture and land  
34 stewardship under Code chapter 214A.

35     The bill prohibits a retail dealer from advertising the

1 sale or selling of diesel fuel unless it is biodiesel fuel  
2 and requires that all diesel fuel contain a minimum of 5  
3 rather than 1 percent biodiesel. The bill provides for a  
4 number of exceptions, including for motors located at an  
5 electric generating plant regulated by the nuclear regulatory  
6 commission, locomotives, vehicles used primarily on the grounds  
7 of a public airport, and motors used to temporarily generate  
8 electricity.

9 The bill allows the governor to issue a biodiesel suspension  
10 order based on a determination that there is not sufficient  
11 infrastructure in the state, there is a shortage of biodiesel  
12 fuel, or the standard will cause a material economic hardship  
13 to the state.

14 The bill allows a retail dealer to sell remaining  
15 inventories of diesel fuel.

16 The bill takes effect September 1, 2012, except for the  
17 provision requiring the department of agriculture and land  
18 stewardship to adopt rules which would take effect July 1.

19 A person who violates a provision of Code chapter 214A is  
20 guilty of a serious misdemeanor with each day of a continuing  
21 violation consisting of a separate offense. The state may  
22 also proceed against a person who violates the Code chapter  
23 by bringing a civil enforcement action as a contested case  
24 proceeding under Code chapter 17A in lieu of a prosecution. A  
25 serious misdemeanor is punishable by confinement for no more  
26 than one year and a fine of at least \$315 but not more than  
27 \$1,875. The civil penalty shall be for at least \$100 but not  
28 more than one \$1,000 for each violation.